

CHAPTER 1041

CONSUMER CREDIT REPORTS AND SECURITY FREEZES — PROTECTED CONSUMERS

H.F. 2368

AN ACT modifying security freeze provisions and extending security freeze protection to specified individuals designated as protected consumers, making penalties applicable, and including effective date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 714G.1, subsection 1, Code 2014, is amended to read as follows:

1. “Consumer” means an individual who is a resident of this state sixteen years of age or older who does not otherwise meet the definition of a protected consumer and who is not subject to a protected consumer security freeze.

Sec. 2. Section 714G.1, subsection 3, Code 2014, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. A company that maintains a database or file that consists of any of the following information which is used for purposes unrelated to the granting of credit:

- (1) Criminal history information.
- (2) Information relating to employment, rental history, or a background check.

Sec. 3. Section 714G.1, Code 2014, is amended by adding the following new subsections:

NEW SUBSECTION. 7A. “Protected consumer” means an individual who is either under sixteen years of age at the time a request for a protected consumer security freeze is made for the individual or is an incapacitated person or a protected person for whom a guardian or conservator has been appointed.

NEW SUBSECTION. 7B. “Protected consumer security freeze” means one of the following:

a. If a consumer reporting agency does not have a file pertaining to a protected consumer, a restriction that is placed on the protected consumer’s record in accordance with section 714G.8A that prohibits the consumer reporting agency from releasing the protected consumer’s record except as provided in that section.

b. If a consumer reporting agency has a file pertaining to a protected consumer, a restriction that is placed on the protected consumer’s consumer credit report in accordance with section 714G.8A that prohibits the consumer reporting agency from releasing the protected consumer’s consumer credit report or any information derived from the protected consumer’s consumer credit report except as provided in that section.

NEW SUBSECTION. 7C. “Record” means a compilation of information that includes or satisfies all of the following:

- a. Identifies a protected consumer.
- b. Is created by a consumer reporting agency solely for the purpose of complying with section 714G.8A.
- c. Is not created or used to consider the protected consumer’s credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

NEW SUBSECTION. 7D. “Representative” means a protected consumer’s parent, guardian, or custodian who provides to a consumer reporting agency sufficient proof of authority to act on behalf of a protected consumer.

NEW SUBSECTION. 8A. “Sufficient proof of authority” means documentation that shows a representative has authority to act on behalf of a protected consumer, which may be demonstrated in the form of an order issued by a court of law, a lawfully executed and valid power of attorney, or a written notarized statement signed by the representative that expressly describes the authority of the representative to act on behalf of a protected consumer.

NEW SUBSECTION. 8B. “Sufficient proof of identification” means one or more of the following:

a. A protected consumer's social security number or a copy of a social security card issued by the federal social security administration.

b. A certified or official copy of a protected consumer's birth certificate issued by the entity authorized to issue the birth certificate.

c. A copy of a protected consumer's driver's license, a protected consumer's nonoperator's identification card issued by the state department of transportation, or any other federal or state government-issued form of identification pertaining to a protected consumer.

Sec. 4. Section 714G.8, unnumbered paragraph 1, Code 2014, is amended to read as follows:

A security freeze or protected consumer security freeze shall not apply to the following persons or entities:

Sec. 5. **NEW SECTION. 714G.8A Protected consumer security freeze.**

1. A consumer reporting agency shall implement a protected consumer security freeze for a protected consumer if the consumer reporting agency receives a request from the protected consumer's representative for the placement of the protected consumer security freeze pursuant to this section and the protected consumer's representative complies with all of the following:

a. Submits the request to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency.

b. Provides sufficient proof of identification of the protected consumer, and proof of the identity of the representative.

c. Provides sufficient proof of authority to act on behalf of the protected consumer.

d. Payment of the fee specified in subsection 5.

2. a. A protected consumer security freeze requested pursuant to subsection 1 shall commence within thirty days after the request is received. If a consumer reporting agency does not have a file pertaining to a protected consumer when the consumer reporting agency receives the request, the consumer reporting agency shall create a record for the protected consumer within thirty days after the request is received.

b. While a protected consumer security freeze is in effect, a consumer reporting agency shall not release the protected consumer's consumer credit report, any information derived from the protected consumer's consumer credit report, or any information contained in the record created for the protected consumer. The protected consumer security freeze shall remain in effect until the protected consumer or the protected consumer's representative requests the consumer reporting agency to remove the protected consumer security freeze pursuant to subsection 3, or the consumer reporting agency removes the protected consumer security freeze pursuant to subsection 6.

3. A consumer reporting agency shall remove a protected consumer security freeze if the consumer reporting agency receives a request from the protected consumer or the protected consumer's representative to remove the protected consumer's security freeze that complies with all of the following:

a. The request is submitted to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency.

b. In the case of a request by a protected consumer, the request includes proof that previously submitted sufficient proof of authority for the protected consumer's representative to act on behalf of the protected consumer is no longer valid, and sufficient proof of identification of the protected consumer.

c. In the case of a request by the representative of a protected consumer, the request includes sufficient proof of identification of the protected consumer, proof of the identity of the representative, and sufficient proof of authority to act on behalf of the protected consumer.

d. The fee specified in subsection 5.

4. A protected consumer security freeze shall be removed by the consumer reporting agency within thirty days after the request for removal pursuant to subsection 3 is received by the consumer reporting agency.

5. *a.* A consumer reporting agency may charge a reasonable fee, not to exceed five dollars, for each placement or removal of a protected consumer security freeze. A consumer reporting agency may not charge any other fee for a service performed pursuant to this section.

b. Notwithstanding paragraph “*a*”, a fee may not be charged by a consumer reporting agency pursuant to either of the following:

(1) If the protected consumer’s representative has obtained a police report or affidavit of alleged identity theft under section 715A.8 and submits a copy of the report or affidavit to the consumer reporting agency.

(2) A request for the commencement or removal of a protected consumer security freeze is for a protected consumer who is under the age of sixteen years at the time of the request and the consumer reporting agency has a consumer credit report pertaining to the protected consumer.

6. A consumer reporting agency may remove a protected consumer security freeze for a protected consumer or delete a record of a protected consumer if the protected consumer security freeze was commenced or the record was created based on a material misrepresentation of fact by the protected consumer or the protected consumer’s representative.

7. The provisions of sections 714G.8, 714G.10, and 714G.11 shall be applicable to a protected consumer security freeze.

Sec. 6. EFFECTIVE DATE. This Act takes effect January 1, 2015.

Approved March 26, 2014